

BEFORE THE TAX COMMISSION OF THE STATE OF IDAHO

In the Matter of the Protest of)	
)	DOCKET NO. 17578
[REDACTED])	
Petitioners.)	DECISION
)	
_____)	

On July 7, 2003, the Tax Discovery Bureau (Bureau) of the Idaho State Tax Commission issued a Notice of Deficiency Determination to [Redacted] (taxpayers), proposing income tax, penalty, and interest for taxable year 1999 in the amount of \$2,246.

The taxpayers filed a timely appeal. They did not submit additional information and did not request a conference. Therefore, the Tax Commission, having reviewed the file, hereby issues its decision based upon the information contained in the file.

Tax Commission records showed the taxpayers met the state income tax filing requirements but had not filed an Idaho return for 1999. The Bureau attempted to contact the taxpayers for an explanation, but the taxpayers did not respond to the inquiries.

[Redacted] Idaho Code § 63-3045 (1)(a) states:

63-3045. Notice of redetermination or deficiency -- Interest. (1) (a) If, in the case of any taxpayer, the state tax commission determines that there is a deficiency in respect of the tax imposed by this title, the state tax commission shall, immediately upon discovery thereof, send notice of such deficiency to the taxpayer by registered or certified mail or by other commercial delivery service providing proof of delivery, whichever is the most cost efficient. The notice shall be sent to the taxpayer's last address known to the state tax commission. The notice of deficiency shall be accompanied by an explanation of the specific reason for the determination and an explanation of the taxpayer's right to appeal. Within sixty-three (63) days after such notice is mailed, the taxpayer may, at his option, file a protest in writing with the state tax commission and obtain redetermination of the deficiency.

Because the taxpayers had not filed a 1999 Idaho income tax return, the Bureau prepared a return on their behalf and sent them a Notice of Deficiency Determination. The taxpayers appealed the determination in a letter signed by both taxpayers saying:

I have been advised that I can dispute the findings of the Notice of Deficiency Determination do [sic] to the fact that not everything involved with the sales of stock for the year 1999 was used in the final adjustments. It seems that it was made without basis of sales numbers of the stock I had sold. I will be contacting you within the next 7 days to get this all straightened out.

The Bureau wrote the taxpayers a letter acknowledging their protest and granting them the additional time they had requested. When the taxpayers did not contact the Bureau as promised and no new information was received, the Bureau telephoned the taxpayers. In one of those conversations, [Redacted] said her husband was out of town but she would ask him to call back when he returned in two weeks. He did not return the call.

Nothing further was heard from the taxpayers and their file was transferred to the Legal/Tax Policy Division for administrative review. The Tax Appeals Specialist sent the taxpayers a letter explaining their options regarding their appeal. However, the letter did not prompt a response from either taxpayer.

Tax Commission records show that during 1999 the taxpayers were Idaho residents with Idaho sourced income in excess of Idaho's filing requirement. These facts the taxpayers do not dispute. However, they have not filed their return.

The Bureau calculated the Idaho tax amount using the income shown in federal records, which included amounts shown in 1099s for stock & bond sales. Because no basis was identified, there was no adjustment to the income from the sales. The standard deduction and credit for four

personal exemptions were used to calculate the Idaho tax. Withholding identified in Tax Commission records and four grocery credits reduced that tax amount.

The Bureau added interest and penalty pursuant to Idaho Code §§ 63-3045 and 63-3046. The Tax Commission reviewed those additions and found them proper and in accordance with Idaho Code.

A Notice of Deficiency Determination issued by the Idaho State Tax Commission is presumed to be accurate. Parsons v. Idaho State Tax Com'n, 110 Idaho 572 (Ct. App. 1986). Having presented no information in support of their argument, the taxpayers have failed to meet their burden of proving error on the part of the deficiency determination. Albertson's, Inc. v. State, Dept. of Revenue, 106 Idaho 810 (1984).

WHEREFORE, the Notice of Deficiency Determination dated July 7, 2003, is hereby APPROVED, AFFIRMED, and MADE FINAL.

IT IS ORDERED and THIS DOES ORDER that the taxpayers pay the following tax, penalty, and interest for 1999.

<u>TAX</u>	<u>PENALTY</u>	<u>INTEREST</u>	<u>TOTAL</u>
\$1,505	\$376	\$451	<u>\$2,332</u>

Interest is computed through September 15, 2004.

DEMAND for immediate payment of the foregoing amount is hereby made and given.

An explanation of the taxpayer's right to appeal this decision is included with this decision.

DATED this ____ day of _____, 2004.

IDAHO STATE TAX COMMISSION

COMMISSIONER

CERTIFICATE OF SERVICE

I hereby certify that on this ____ day of _____, 2004, a copy of the within and foregoing DECISION was served by sending the same by United States mail, postage prepaid, in an envelope addressed to:

[Redacted]
[Redacted]
[Redacted]
[Redacted]

[Redacted]